

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

THE WORTH COLLECTION, LTD.,

Debtor.

Chapter 7

Case No. 20-10337 (BLS)

Related to Docket No. 103

**RESPONSE TO MOTION OF CHAPTER 7 TRUSTEE FOR ENTRY OF
AN ORDER COMPELLING DEBTOR TO DESIGNATE AN INDIVIDUAL
REQUIRED TO PERFORM THE ACTS OF THE DEBTOR AND ATTEND
EXAMINATIONS OF THE DEBTOR AND TO EXTEND THE TIME TO
FILE SCHEDULES AND STATEMENT OF FINANCIAL AFFAIRS**

Klehr Harrison Harvey Branzburg LLP as former counsel to The Worth Collection, Ltd. (“Worth”), files this response to the *Motion of Chapter 7 Trustee for Entry of an Order Compelling Debtor to Designate an Individual Required to Perform the Acts of the Debtor and Attend Examinations of the Debtor and to Extend the Time to File Schedules and Statement of Financial Affairs* [Docket No. 103] (the “Motion”) solely in an effort to assist this Court and as an accommodation to the parties in this Chapter 7 case, and respectfully states as follows:

1. On February 14, 2020, Slate Studios, LLC, North East Courier, Inc., Newell Fashion Center, Inc., Superb Stitch, Inc., CK Trading Co., Ltd., River Glory Limited, and Co-Source Solutions (collectively, the “Petitioning Creditors”) filed an involuntary Chapter 7 bankruptcy petition (the “Involuntary Petition”) against Worth in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. As an accommodation to the Petitioning Creditors, who sought to attempt to fashion a path towards a Chapter 11 process, and after entry of at least fifteen stipulations extending the time to answer the Involuntary Petition, the Petitioning Creditors efforts ultimately proved unsuccessful.

3. On October 23, 2020, Worth filed *The Worth Collection Ltd.'s Answer to Involuntary Petition and Consent for Entry of Order for Relief and Reservation of Rights* [Docket No. 40] (the “Answer”), pursuant to which Worth consented to entry of an Order for Relief under Chapter 7 of the Bankruptcy Code.

4. During the period from the filing of the Involuntary Petition and the filing of the Answer, Worth effectively ceased all operations and had no remaining employees or officers.

5. Ultimately, after various requests by the Petitioning Creditors for continuances of the hearing on the Involuntary Petition, the Court on March 24, 2021 entered the Order for Relief [Docket No. 53].

6. On March 25, 2021, David Carickhoff was appointed interim Chapter 7 trustee.

7. After a contested trustee election process and hearings before this Court, in which Worth did not participate, on June 29, 2021 the Court entered the *Order Resolving the Disputed Trustee Election* [Docket No. 87] and on June 29, 2021 the Office of the United States Trustee filed the *Notice of Acceptance of Douglas T. Tabachnik of Appointment as Permanent Trustee* [Docket No. 87]. Mr. Douglas T. Tabachnik continues to serve as Chapter 7 Trustee (the “Trustee”) in this case and former counsel to the Petitioning Creditors, Goldstein & McClintock LLP as counsel for the Chapter 7 Trustee.

8. On or August 19, 2021, after discussions with counsel for the Trustee who was informed that Worth had no remaining employees or officers, our firm sent to counsel to the Trustee drafts of Schedules of Assets and Liabilities and Statement of Financial Affairs (the “Draft Schedules & SOFA”) that were prepared by former employees of Worth prior to October 23, 2020. Additionally, counsel for the Trustee was informed that Worth had caused back up computer drives

of its servers (the “Back-Up Drives”) to be made in an abundance of caution so that information was maintained that would ultimately need to be turned over to the Trustee.

9. On August 26, 2021, the Back-Up Drives were hand delivered by the undersigned to counsel for the Trustee.

10. It is the understanding of the undersigned that there are not now and have not been for at least one year, any remaining employees of Worth with knowledge to prepare and execute Schedules of Assets and Liabilities and Statement of Financial Affairs or attend a first meeting of creditors. Rather, Worth during the lengthy time of this proceeding, caused the Draft Schedules & SOFA to be prepared and the Back-Up Drives prepared so that ultimately the Trustee would have sufficient information to administer this case.

Respectfully Submitted,

Dated: October 20, 2021
Wilmington, Delaware

/s/ Domenic E. Pacitti

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